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FINANCIAL STATEMENT
TOWN OF MARIETTA, MISSISSIPPI
September 30, 2003

Franks, Franks & Jarrell, P.A.
Certified Public Accountants

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ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES

Honorable Mayor and Board of Aldermen
Town of Marietta, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Marietta, Mississippi, as of September 30, 2003, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Mississippi Code Annotated (1972). It is understood that the report is solely for the use of the governing body of the Town of Marietta, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. Our procedures and findings are as follows:

1. We reconciled cash on deposit with the following banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
Cash on Hand	General	\$ 527
Farmers and Merchants	General	<u>30,180</u>
Total Governmental Funds		<u>\$ 30,707</u>
Cash on Hand	Water & Sewer	\$ 74
Farmers and Merchants	Water & Sewer	<u>110,283</u>
Total Proprietary Fund		<u>\$ 110,357</u>

2. We confirmed directly with respective banks all investments, including certificates of deposits, owned by the Town of Marietta. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Mississippi Code Annotated (1972). The amount below is included in Cash on Deposit, above for financial statement presentation.

<u>Investment</u>	<u>Fund</u>	<u>Amount</u>
Certificate of Deposit	Water & Sewer	<u>\$ 14,780</u>
Certificate of Deposit	Water & Sewer	<u>\$ 2,654</u>

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Proved the mathematical accuracy of the tax rolls and traced levies to governing body minutes;
 - b. Reconciled the amount of taxes levied per the tax rolls to amounts actually collected;
 - c. Examined uncollected taxes for proper handling, including tax sales;
 - d. Traced distribution of taxes collected to proper funds; and
 - e. Analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

Tax assessments were found to be mathematically correct and in agreement with collections as follows:

	Taxable Assessed Values	<u>Millage</u>	<u>Tax</u>
Real Property	\$ 714,154	10.50	\$ 7,499
Personal Property	173,766	10.50	1,825
Auto & Mobile Homes	<u>31,100</u>	10.50	<u>3,265</u>
Total	919,020		12,589
Homestead Exemption Allowed			(1,691)
Actual Homestead Reimbursement			874
Penalties & Interest on Delinquent Taxes			29
Changes Made to Receipts			<u>30</u>
Total to be Accounted For			<u>\$ 11,831</u>

Credits:	Ad Valorem Tax	Homestead Reimbursement	Tax
Tags	\$ 3,266	\$	\$ 3,266
Property Taxes	<u>7,582</u>	<u>874</u>	<u>8,456</u>
Total Collected And Settled			11,722
Balanced Represented by:			
Unpaid			168
Unaccounted For			
Undersettled/oversettled			<u>(59)</u>
Total to be Accounted For			<u>\$ 11,831</u>

The distribution of taxes to funds was found to be in accordance with prescribed tax levies, and uncollected taxes were determined to be properly handled.

Ad valorem tax collections were found to be within the limitations of sections 27-39-320 to 27-39-323, Mississippi Code Ann. (1972), as follows:

Actual Collections:	
Base year 2002	\$ 11,129
Homestead Exemption	
Reimbursement	825
10% Increase	<u>1,195</u>
Total	<u>\$ 13,149</u>
Actual Collections:	
F.Y.E. 09/30/03	\$ 11,722
Homestead Exemption	
Reimbursement	874
Under (Over) Limitations	<u>553</u>
Total	<u>\$ 13,149</u>

4. We obtained a statement of payments made by the Mississippi Department of Finance and Administration to the Town. The payments were traced to deposit in the respective bank accounts and recorded in the general ledger with no exceptions. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Fund</u>	<u>Amount</u>
Sales Tax Allocation	General Fund	\$ 25,181
Gasoline Tax	General Fund	748
TVA Pilot Tax	General Fund	3,327
Municipal Aid	General Fund	129
Fire Protection Allocation	General Fund	1,121
Homestead Exemption	General Fund	874
Other Aid	Proprietary Fund	105,001

5. We selected a sample of purchases made by the Town during the fiscal year. Each sample item was evaluated for compliance with public purchasing requirements set forth in Sections 31-7-1, 31-7-13, 31-7-49, and 31-7-57 Mississippi Code, 1972, Annotated, as applicable.

The sample consisted of the following:

Number of Sample Items	12
Dollar Value of Sample	\$ 212,936

We found the Town's purchasing procedures to be in agreement with the requirements of the above-mentioned sections.

6. We have read the Municipal Compliance Questionnaire completed by the Town. The following responses to the questionnaire indicate noncompliance with state requirements:

The Town has performed an annual inventory of fixed assets and all assets that are required to be tagged have been tagged appropriately. Significant work has been done on the fixed asset inventory. However, a complete fixed asset inventory ledger has not been completed. Items missing from the ledger are: purchase dates of some assets and costs of some of the assets. (Section 7-7-211 of Municipal Audit and Accounting Guide)

The Town is a participant in the state sponsored collateralization pool. However, the Town did not ensure that all of the Town's accounts were reported to the State Treasurer as of September 30, 2003. The Town's deposits were in excess of the FDIC limits at by \$2,654 at September 30, 2003. One of the Town's certificates of deposit was not listed under the state sponsored collateral pool.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts or classes of transactions referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the items specified in the preceding paragraphs should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Marietta, Mississippi for the year ended September 30, 2003.

Franks, Franks & Jarrell, P.A.

FRANKS, FRANKS & JARRELL, P.A.
April 5, 2004



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ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Aldermen
Town of Marietta
Marietta, Mississippi

We have compiled the accompanying statement of cash receipts and disbursements - all fund types of the Town of Marietta, Mississippi, for the year ended September 30, 2003, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the Town's officials. We have not audited or reviewed the accompanying statement of cash receipts and disbursements - all fund types and, accordingly, do not express an opinion or any other form of assurance on it.

The Town's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenue is recognized when received rather than when measurable and available, and certain expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the statement of cash receipts and disbursements - all fund types is not intended to present results of operations, in conformity with generally accepted accounting principles.

The Town's management has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared on the cash basis of accounting. If the omitted disclosures were included, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, this financial statement is not designed for those who are not informed about such matters.

The supplementary information contained on pages 8 through 12 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of the officials of the Town of Marietta, Mississippi, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

Franks, Franks & Jarrell, P.A.

Franks, Franks & Jarrell, P. A.
April 5, 2004

TOWN OF MARIETTA, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES
For the year ended September 30, 2003

	General Fund	Proprietary Fund	Totals (Memorandum Only)
<u>CASH RECEIPTS</u>			
General Property Taxes	\$ 10,848	\$	\$ 10,848
Franchise Tax on Utilities	6,060		6,060
Intergovernmental Revenues:			
Homestead	874		874
Sales Tax	25,181		25,181
Gasoline Tax	748		748
Fire Protection Allocation	1,121		1,121
Municipal Aid	129		129
Grant Income		105,001	105,001
TVA Tax - State	3,327		3,327
Charges for Services:			
Water System		97,792	97,792
Miscellaneous Receipts:			
Court Fines and Fees	6,813		6,813
Park Donations	4,241		4,241
Privilege License	463		463
Interest Income	13	998	1,011
Dare Donations	500		500
Grant Income	179,335	4,500	183,835
Transfers	31,231	(31,231)	0
Other Income	28	1,755	1,783
Total Cash Receipts	<u>270,912</u>	<u>178,815</u>	<u>449,727</u>
<u>CASH OPERATING DISBURSEMENTS</u>			
General Administration and Finance	\$ 28,463	\$	\$ 28,463
Public Safety	36,123		36,123
Culture and Recreation: Park	10,173		10,173
Enterprise: Water & Sewer		71,726	71,726
Capital Outlay	211,255	36,578	247,833
Total Cash Operating Disbursements	<u>286,014</u>	<u>108,304</u>	<u>394,318</u>
<u>Other Cash Receipts and Disbursements</u>			
Proceeds from Merchants & Farmers Bank	31,920		31,920
Loans Repaid:			
Farmer's Home Administration		(8,152)	(8,152)
Interest		(16,930)	(16,930)
Total Other Cash Receipts and Disbursements	<u>31,920</u>	<u>(25,082)</u>	<u>6,838</u>
Excess (Deficit) of Cash Receipts Over (Under) Cash Disbursements	16,818	45,429	62,247
Cash Balance-Beginning of Year	<u>13,889</u>	<u>64,928</u>	<u>78,817</u>
Cash Balance - End of year	<u>\$ 30,707</u>	<u>\$ 110,357</u>	<u>\$ 141,064</u>

See accountants' compilation report.

TOWN OF MARIETTA, MISSISSIPPI
SELECTED INFORMATION
September 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The Town operates under the mayor/board of alderman form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the Town consists of all the funds of the Town.

Fund Accounting

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity.

Basis of Accounting

The financial statement has been prepared on the cash receipts and disbursements basis, as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

NOTE B - REPORT CLASSIFICATIONS

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

NOTE C - CASH ON DEPOSIT AND INVESTMENTS

Cash on Deposit and on Hand

We reconciled cash on deposit with the following banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

<u>BANK</u>	<u>TYPE OF ACCOUNT</u>	<u>FUND</u>	<u>BALANCE PER GENERAL LEDGER</u>
Cash on Hand			\$ 527
Farmers & Merchants Bank	Checking	General	19,174
Farmers & Merchants Bank	Checking	General-Fire Dept.	2,875
Farmers & Merchants Bank	Checking	General-Police	259
Farmers & Merchants Bank	Checking	General-Park	2,354
Farmers & Merchants Bank	Checking	General-DARE	<u>5,518</u>
TOTAL GENERAL			\$ <u>30,707</u>

TOWN OF MARIETTA, MISSISSIPPI
SELECTED INFORMATION
September 30, 2003

NOTE C - CASH ON DEPOSIT AND INVESTMENTS - continued

<u>TYPE OF BANK</u>	<u>ACCOUNT</u>	<u>FUND</u>	<u>BALANCE PER GENERAL LEDGER</u>
Cash on Hand			\$ 74
Farmers & Merchants Bank	Checking	Water & Sewer	13,328
Farmers & Merchants Bank	Savings	Water & Sewer Construction	2,654
Farmers & Merchants Bank	Checking	Water & Sewer	149
Farmers & Merchants Bank	Checking	Water & Sewer CDBG	79,372
Farmers & Merchants Bank	Savings	Water & Sewer	<u>14,780</u>
TOTAL PROPRIETARY FUNDS			<u>110,357</u>
GRAND TOTALS			<u>\$ 141,064</u>

Investments

Since the municipality held no securities for investment during the year, it was not necessary to perform any tests related to investment transactions for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).

NOTE D - PURCHASING

We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with public purchasing requirements set forth in section 31-7-1, 31-7-13, 31-7-57, Mississippi Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	12
Dollar Value of Sample	\$ 212,936

We found the municipality's purchasing procedures to be in compliance with the above sections.

NOTE E - LONG-TERM DEBT

The annual requirements to amortize all debt outstanding as of September 30, 2003, including interest of \$268,569 are as follows:

<u>Fiscal Year Ended September 30,</u>	<u>United States Department of Agriculture</u>	<u>United States Department of Agriculture</u>	<u>United States Department of Agriculture</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 4,032	\$ 3,726	\$ 2,880	\$ 17,227	\$ 27,865
2005	4,238	3,916	3,017	16,694	27,865
2006	4,455	4,117	3,161	16,132	27,865
2007	4,682	4,327	3,311	15,545	27,865
2008	4,922	4,549	3,468	14,926	27,865
Thereafter	<u>36,392</u>	<u>63,263</u>	<u>200,429</u>	<u>188,045</u>	<u>488,129</u>
	<u>\$ 58,721</u>	<u>\$ 83,898</u>	<u>\$ 216,266</u>	<u>\$ 268,569</u>	<u>\$ 627,454</u>

The Town does not maintain any debt service funds to service the above notes.

TOWN OF MARIETTA, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
September 30, 2003

<u>DEFINITION AND PURPOSE</u>	<u>BALANCE OUTSTANDING OCTOBER 1, 2002</u>	<u>TRANSACTIONS DURING FISCAL YEAR ISSUED/ (REDEEMED)</u>	<u>BALANCE OUTSTANDING SEPTEMBER 30, 2003</u>
Notes Payable:			
Farmers & Merchants Bank	\$ 3,217	\$ 0	\$ 3,217
Farmers & Merchants Bank	16,100	31,920	48,020
Farmer's Home Administration-Water	87,465	(3,567)	83,898
Farmer's Home Administration-Sewer	62,572	(3,851)	58,721
Farmer's Home Administration	<u>217,000</u>	<u>(734)</u>	<u>216,266</u>
 TOTAL	 \$ <u>386,354</u>	 \$ <u>23,768</u>	 \$ <u>410,122</u>

See accountants' compilation report.

TOWN OF MARIETTA, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2003

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Cindy Ramey	City Clerk	Western Surety Company	50,000
Michael Ramey	Chief of Police	Western Surety Company	50,000
Ricky Griffin	Part-Time Police	Western Surety Company	25,000
Bryon Parker	Part-Time Police	Western Surety Company	25,000
Joey Clark	Part-Time Police	Western Surety Company	25,000
Billy Sartin	Judge	Western Surety Company	5,000
Ronald Burns	Alderman	Mississippi Municipal Bond Program	5,000
Dale Kennedy	Alderman	Mississippi Municipal Bond Program	5,000
Shirley Clark	Alderman	Mississippi Municipal Bond Program	5,000
Sarah Greene	Alderman	Mississippi Municipal Bond Program	5,000
Mike Carter	Alderman	Mississippi Municipal Bond Program	5,000

See accountants' compilation report.

TOWN OF MARIETTA, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2003

PROPRIETARY FUND TYPES

Water & Sewer - Certificate of Deposit	\$	14,780
Water & Sewer - Certificate of Deposit		<u>2,654</u>
Total Governmental Fund Types	\$	<u><u>17,434</u></u>

See accountants' compilation report.